

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6183

BILL NUMBER: HB 1297

DATE PREPARED: Jan 23, 2002

BILL AMENDED: Jan 23, 2002

SUBJECT: Interstate Nurse Licensure Compact.

FISCAL ANALYST: Valerie Ruda

PHONE NUMBER: 232-9867

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill adopts the Interstate Nurse Licensure Compact to allow a registered nurse or licensed practical nurse who is licensed in another state that is a party to the compact to practice nursing in Indiana. It provides that the State Board of Nursing administers the compact. (The introduced version of this bill was prepared by the Health Finance Commission.)

Effective Date: July 1, 2002.

Explanation of State Expenditures: This bill provides for a compact to be adopted which would allow registered nurses or licensed practical nurses who are licensed in other states, to practice nursing in the State of Indiana. This compact is based on a coordinated licensure information system administered by each participating state's nursing board head. Each participating state would be required to supply the other states with any information or documents regarding nurses holding multistate licenses. This may include investigative, identifying, licensure, and disciplinary information. This information is stored in the coordinated licensure information system, which is made up of each participating state's database.

The coordinated licensure information system is to be used by the participating states to determine if applicants have held or hold licenses issued by any other party states, have had any restrictions on a multistate license, or have had any adverse actions taken upon their license. Because of this bill's provisions, the state may experience costs related to the investigation and adjudication of complaints against out-of-state nurses practicing in Indiana as well as Indiana nurses practicing in other states.

Explanation of State Revenues: (Revised) This bill provides that all states that participate in the compact must recognize the license issued by the applicant's home state. Due to this provision, any licensees who live outside of Indiana, but hold an Indiana RN or LPN license, will no longer be required to renew their Indiana licenses after they expire. If all states adopted the interstate nurse licensure compact, the General Fund's revenues could decrease by \$577,900 in FY 2004, as the bill's provisions may not be implemented until July

1, 2003. Future year revenue reductions reflect the number of licensees who live in other states, hold an Indiana license, and who would no longer be subject to Indiana license renewal fees. Currently, RN and LPN license renewal fees are \$50.

The Health Professions Bureau would also be required to provide a multistate licensure privilege form to be filed by applicants who hold a party state license but seek employment as a nurse in Indiana. The Bureau may establish a fee for this filing requirement. This fee may cover the cost of providing and processing the forms depending on the number of out-of-state applicants.

There are currently 14,173 Indiana licensees who live outside of the State of Indiana. The number of licensees and the states in which they live are included in the following table.

State	RN	LPN
Kentucky	1,881	527
Ohio	1,261	316
Michigan	1,329	262
Illinois	2,990	561
Other	4,097	949
Total	11,558	2,615

This bill also provides that a violation of the compact is punishable as a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Health Professions Bureau.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Matt Hopper, Health Professions Bureau.